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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA

In the Matter of:	)	CFL APPLICATION NO. 60DBO-42475
	)	
THE COMMISSIONER OF BUSINESS	)	STIPULATION
OVERSIGHT,	)	
	)	
Complainant,	)	
	)	
v.	)	
	)	
BONDIT LLC and LQDT HOLDINGS LLC,	)	
	)	
Respondents.	)	
	)	

In consideration of the application filed by BondIt LLC (BondIt) for a license under the California Finance Lenders Law (CFLL) (Fin. Code, § 22000 et seq.), this Stipulation (Stipulation) is entered into by and between the Commissioner of Business Oversight (Commissioner), on the one hand, and BondIt and LQDT Holdings LLC (LQDT) (collectively, Respondents), on the other hand (Parties).

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RECITALS

This Stipulation is made with reference to the following facts:

A. BondIt is a California limited liability company formed on January 9, 2014 with its principal office located at 1639 11th Street, Unit 250, Santa Monica, California 90404.

B. LQDT is an unincorporated vehicle created by BondIt for the special purpose of executing financing transactions. LQDT has never been licensed under the CFLL.

C. Matthew Helderman is the Chief Executive Officer and manager of BondIt and a control person of LQDT and, as such, is authorized to enter into this Stipulation on behalf of Respondents.

D. On October 3, 2014, BondIt first filed with the Commissioner an application to engage in the business of a finance lender in this state pursuant to the CFLL.

E. During the Commissioner's review of the application, it was disclosed that, through claimed inadvertence or error, BondIt and LQDT had engaged in unlicensed finance lender activity in this state beginning January 2014 through the date hereof.

F. The Commissioner is of the opinion that during the period of January 2014 through the date hereof, BondIt and LQDT engaged in the business of a finance lender in this state by making at least 58 loans without first obtaining from the Commissioner a license, then in effect, or being otherwise exempt, in violation of Financial Code section 22100.

G. It is the intention and desire of the Parties to resolve this matter without the necessity of a hearing and/or other litigation.

NOW, THEREFORE, for good and valuable consideration, and the terms and conditions set forth herein, the Parties agree as follows:

TERMS AND CONDITIONS

1. Purpose. The purpose of this Stipulation is to settle and resolve the matters between the Parties hereto, for judicial economy and expediency, and to avoid the expense of a hearing, and possible further court proceedings.

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1           2.     Desist and Refrain Order: Respondents stipulate to the issuance of the Desist and  
2 Refrain Order issued pursuant to section 22712, in the form attached hereto as Exhibit A, directing  
3 Respondents to desist and refrain from engaging in the business of a finance lender in this state in  
4 violation of Financial Code section 22100. Respondents agree to accept service of the executed  
5 Desist and Refrain Order pursuant to Paragraph 23 below.

6           3.     Waiver of Hearing Rights. Respondents acknowledge their right to a hearing under  
7 the CFLL in connection with the Desist and Refrain Order attached as Exhibit A, and hereby waive  
8 such rights to a hearing, and to any reconsideration, appeal, or other right to review which may be  
9 afforded pursuant to the CFLL, the California Administrative Procedure Act (APA), the California  
10 Code of Civil Procedure (CCP), or any other provision of law, and by waiving such rights, consent to  
11 the Commissioner's Desist and Refrain Order becoming final. Respondent further expressly waives  
12 any requirement for the filing of an Accusation that may be afforded by Government Code section  
13 11415.60, subdivision (b).

14           4.     Certification. Respondents stipulate to undertake all appropriate steps designed to  
15 assure full compliance with the laws of California in connection with the licensing of BondIt's  
16 business as a finance lender. Respondents acknowledge that failure to comply with any term of this  
17 Stipulation shall be a breach of this Stipulation and shall be cause for the Commissioner to  
18 immediately revoke any licenses held by, and/or deny any pending application(s) of Respondents,  
19 their successors and assigns, by whatever names they might be known. Respondents hereby waive  
20 any notice and hearing rights to contest such revocations and/or denial(s) which may be afforded  
21 under the CFLL, the APA, the CCP, or any other provision of law in connection with this action.

22           5.     Acknowledgement. Respondents acknowledge that they did not timely obtain a  
23 finance lender license from the Department, or otherwise qualify for a lawful exemption, as required  
24 by the CFLL. Although Respondents maintain such failure was neither willful nor intentional,  
25 Respondents acknowledge that such conduct was inconsistent with the provisions of the CFLL. The  
26 acknowledgment of Respondents is for the purposes of this and any other future proceedings that may  
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1 be initiated by or brought before the Department. The Parties agree that this Stipulation and any  
2 acknowledgements hereunder shall not be admissible or binding against Respondents in any action(s)  
3 brought against Respondents by third parties who are not signatories to this Stipulation.

4         6.         Administrative Penalty. Respondents agree to pay to the Commissioner an  
5 administrative penalty in the amount of \$29,000.00 (Administrative Penalty) for conducting  
6 unlicensed finance lender activity in violation of CFLL. Such Administrative Penalty shall be paid  
7 by Respondents within 30 days of the Effective Date of this Stipulation, as such date is defined in  
8 Paragraph 23 below. The cashier's check shall be made payable to "The Department of Business  
9 Oversight" and sent to the attention of the Commissioner's agent specified in Paragraph 24 below. In  
10 the event the payment due date falls on a weekend or holiday, the payment shall be due the next  
11 business day. Respondents acknowledge that failure to timely pay the Administrative Penalty shall  
12 be a violation of this Stipulation subject to the Commissioner's remedy specified in Paragraph 12  
13 below. Respondents further agree that this Stipulation shall constitute a final decision for the purpose  
14 of the Commissioner applying ex parte to the superior court, without further notice to Respondents,  
15 for a civil judgment in the amount of the Administrative Penalty stipulated herein and procuring an  
16 order pursuant to the CFLL or any other provision of California law.

17         7.         Forfeiture of Fees. Respondents agree to forfeit the right to collect all amounts that  
18 are in any way attributable to usurious amounts charged to California borrowers in excess of the 10  
19 percent interest rate allowed under article 15, section 1 of the California Constitution during the  
20 period that Respondents did not have a CFLL license, then in effect. No later than 30 days after the  
21 Effective Date of this Stipulation, Respondents shall refund to borrowers all usurious amounts  
22 collected, in the sum of at least \$102,699.26, and adjust from the principal balance of any loan that is  
23 open, or any loan that is in collection or arrears, all usurious amounts owed, in accordance with in the  
24 schedule attached hereto as Exhibit B (Refunds/Adjustments). Respondents agree that failure to  
25 refund or adjust any amounts deemed owing under this paragraph shall be a violation of this  
26 Stipulation subject to the remedy specified in Paragraph 12 below.  
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1           8.     Notice to Borrowers. For every Refund/Adjustment required by Paragraph 7,  
2 Respondents shall provide to the borrower the accompanying notice: “Pursuant to an agreement  
3 entered with the California Department of Business Oversight, a refund in the amount of \$xxx.xx is  
4 enclosed and/or an adjustment is being made to the benefit of your account pursuant to article 15,  
5 section 1 of the California Constitution. If you have any questions concerning this refund or  
6 adjustment, please contact [BondIt LLC] at (800) XXX-XXXX.”

7           9.     Compliance Report. No later than 60 days from the Effective Date of this Stipulation,  
8 Respondents shall submit evidence that all Refunds/Adjustments identified in Exhibit B have been  
9 satisfactorily made in compliance with Paragraph 7 (Compliance Report). Satisfactory evidence of  
10 the Refunds/Adjustments required by Paragraph 7 and notices required by Paragraph 8 shall be sent  
11 to the Commissioner’s agent specified in Paragraph 24 and shall include, at a minimum, the  
12 following for each and every refund or adjustment: (i) the borrower’s loan number, name, last known  
13 address, loan amount, loan date, interest/fees charged; (ii) date of issuance of refund check and/or  
14 notice of adjustment; and, (iii) evidence of the refund or adjustment in the form of a copy of the  
15 refund check, ACH deposit, adjusted loan statement or notice and any accompanying correspondence  
16 sent to the borrower. Respondents shall be responsible for ensuring that any outstanding refund  
17 payments required by Paragraph 7 are escheated to the State of California pursuant to the provisions  
18 of the California Unclaimed Property Law (Code of Civ. Proc., § 1500 et seq.).

19           10.   California Finance Lender Application. No later than 30 days after the Commissioner,  
20 in her sole discretion, has certified pursuant to Paragraph 4 that BondIt has met all conditions to  
21 conduct business as a finance lender, and provided that Respondents have strictly complied with the  
22 terms specified in Paragraphs 6, 7 and 8, the Commissioner shall issue to BondIt a finance lender  
23 license pursuant to the CFLL.  
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25           11.   Future Actions by the Commissioner. The Commissioner reserves the right to bring  
26 any future action(s) against Respondents or any of the managers, officers, directors, shareholders, or  
27 employees of Respondents for any and all unknown or future violations of the CFLL. This  
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1 Stipulation shall not serve to exculpate Respondents or any of the managers, officers, directors,  
2 shareholders, or employees of Respondents from liability for any and all unknown or future  
3 violations of the CFLL. Respondents further agree and acknowledge that nothing in this Stipulation  
4 shall preclude the Commissioner or her agents, officers, or employees, to the extent authorized by  
5 law, from referring any evidence or information regarding this matter to any other state or federal law  
6 enforcement official, or from assisting or cooperating with regard to any investigation and/or action.

7 12. Commissioner's Remedy for Violation. Respondents agree that if the Commissioner  
8 makes a finding that Respondent(s) has violated or is violating any provision of this Stipulation, and  
9 such Respondent(s) fails to cure said violation(s) within 10 days after being provided written notice  
10 of said violation(s) by the Commissioner, the Commissioner may, in her sole discretion, immediately  
11 revoke any licenses held by, and/or deny any pending application(s) of Respondents, their successors  
12 and assigns, by whatever names they might be known. Respondents hereby waive any notice and  
13 hearing rights to contest such revocations and/or denial(s) which may be afforded under the CFLL,  
14 the APA, the CCP, or any other provision of law in connection therewith. Respondent further  
15 expressly waives any requirement for the filing of an Accusation that may be afforded by  
16 Government Code section 11415.60, subdivision (b).

17 13. Independent Legal Advice. Each of the Parties represents, warrants, and agrees that it  
18 has received or been advised to seek independent legal advice from its attorneys with respect to the  
19 advisability of executing this Stipulation.

20 14. No Other Representation. Each of the Parties represents, warrants, and agrees that in  
21 executing this Stipulation, it has relied solely on the statements set forth herein and the advice of its  
22 own counsel. Each of the Parties further represents, warrants, and agrees that in executing this  
23 Stipulation, it has placed no reliance on any statement, representation, or promise of any other party,  
24 or any other person or entity not expressly set forth herein, or upon the failure of any party or any  
25 other person or entity to make any statement, representation or disclosure of anything whatsoever.  
26 The Parties have included this clause: (1) to preclude any claim that any party was in any way  
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1 fraudulently induced to execute this Stipulation; and (2) to preclude the introduction of parol  
2 evidence to vary, interpret, supplement, or contradict the terms of this Stipulation.

3 15. Modifications and Qualified Integration. No amendment, change or modification of  
4 this Stipulation shall be valid or binding to any extent unless it is in writing and signed by all of the  
5 parties affected by it.

6 16. Full Integration. This Stipulation is the final written expression and the complete and  
7 exclusive statement of all the agreements, conditions, promises, representations, and covenants  
8 between the Parties with respect to the subject matter hereof, and supersedes all discussions between  
9 and among the Parties, their respective representatives, and any other person or entity, with respect to  
10 the subject matter covered hereby.

11 17. No Presumption from Drafting. In that the Parties have had the opportunity to draft,  
12 review and edit the language of this Stipulation, no presumption for or against any party arising out  
13 of drafting all or any part of this Stipulation will be applied in any action relating to, connected to, or  
14 involving this Stipulation. Accordingly, the Parties waive the benefit of Civil Code section 1654 and  
15 any successor or amended statute, providing that in cases of uncertainty, language of a contract  
16 should be interpreted most strongly against the party who caused the uncertainty to exist.

17 18. Counterparts. This Stipulation may be executed in any number of counter-parts by the  
18 Parties, and when each party has signed and delivered at least one such counterpart to the other party,  
19 each counterpart shall be deemed an original and taken together shall constitute one and the same  
20 Stipulation. A fax signature shall be deemed the same as an original signature.

21 19. Terms, Headings and Governing Law. All terms used, but not defined herein, shall  
22 have the meaning assigned to them by the CFLL. The headings to the paragraphs of this Stipulation  
23 are inserted for convenience only and will not be deemed a part hereof or affect the construction or  
24 interpretation of the provisions hereof. This Stipulation shall be construed and enforced in  
25 accordance with, and governed by, the laws of the State of California.  
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1           20.    Authority for Settlement. Each party warrants and represents that such party is fully  
2 entitled and duly authorized to enter into and deliver this Stipulation. In particular, and without  
3 limiting the generality of the foregoing, each party warrants and represents that it is fully entitled to  
4 enter into the covenants, and undertake the obligations set forth herein.

5           21.    Public Record. Respondents hereby acknowledge that this Stipulation and the exhibits  
6 attached hereto will be a matter of public record. Respondents further understand and agree to not  
7 make any statement or representation that is inconsistent with this Stipulation.

8           22.    Voluntary Agreement. The Parties each represent and acknowledge that he, she or it  
9 is executing this Stipulation completely voluntarily and without any duress or undue influence of any  
10 kind from any source.

11           23.    Effective Date. This Stipulation and the attached Desist and Refrain Order shall  
12 become effective when executed by the Commissioner or her designee and transmitted by electronic  
13 mail to Respondents at [matthewhelderman@bondit.us](mailto:matthewhelderman@bondit.us).

14           24.    Notice. Any notices required under this Stipulation shall be provided to each party at  
15 the following addresses:

16           If to Respondents to:                   BondIt, LLC  
17   Matthew Helderman, CEO  
18   1639 11th Street, Unit 250  
19   Santa Monica, California 90404

20           If to the Commissioner to:           Miranda LeKander, Senior Counsel  
21   Department of Business Oversight  
22   1515 K Street, Suite 200  
23   Sacramento, California 95814

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1 IN WITNESS WHEREOF, the Parties hereto have approved and executed this Stipulation on  
2 the dates set forth opposite their respective signatures.

3  
4 Dated: 7/15/16 JAN LYNN OWEN  
Commissioner of Business Oversight

5  
6 By \_\_\_\_\_  
7 Mary Ann Smith  
8 Deputy Commissioner

9 BONDIT LLC and LQDT HOLDINGS LLC

10 Dated: 7/15/16 By \_\_\_\_\_  
11 Matthew Helderman, CEO  
12 On behalf of BondIt LLC & LQDT Holdings LLC

13 Approved as to Form and Content

14 By \_\_\_\_\_  
15 R. DeLano Williams, Jr., Esq.  
16 Karol Williams, A Professional Law Corporation  
Attorneys on behalf of BondIt LLC & LQDT Holdings LLC